



Ancillary Document Review Supplement
(This form must be filled out electronically.)

This form is to be used when reviewing interpretive and/or policy statement(s) in conjunction with the review of a rule.

Interpretive and/or policy statements are issued by the Department of Revenue under authority of RCW 34.05.230. These statements explain the Department's policy regarding how tax law applies to a specific issue or specific set of facts. These statements include documents such as Excise Tax Advisories (ETAs), Property Tax Advisories (PTAs), and Interim Audit Guidelines (IAGs).

All responses should be in **bold** format.

Interpretive or policy statement(s) being reviewed (provide number and title):
ETA 331.04.193 (The Applicability of the Interstate Commerce Exemption to Freight Forwarders)

Date issued: **March 29, 1968**

Reviewer: **Diane Bren**

Date reviewed: **March 10, 2004**

This review is in conjunction with the review of the following rule(s) (provide WAC number(s) and title(s)): **WAC 458-20-193D (Transportation, communication, public utility activities, or other services in interstate or foreign commerce.)**

Briefly explain the subject matter of the document(s): **Explains that a freight forwarder who has the contractual responsibility to move the freight to its destination in interstate commerce is an interstate carrier. The ETA lists three criteria that must be met for a freight forwarder to qualify for the exemption.**

Type an "X" in the column that most correctly answers the question, and provide clear, concise, and complete explanations where needed.

YES	NO	
X		Is the document written and organized in a clear and concise manner?
	X	Are citations to other rules, laws, or other authority accurate? (If no, identify the incorrect citation below and provide the correct citation.)
	X	Does the document provide information not currently in a rule, other interpretive or policy statement, or WTD?
	X	Is the document providing the result(s) that it was originally designed to achieve?

If the answer is "no" to any of the questions above, provide a brief explanation for that response.

One of the criteria identified in this document for purposes of determining whether a freight forwarding business may claim an exemption as a for hire carrier is that the



business must be federally licensed by or subject to ICC tariffs. However, ICC regulations that the Department relied on when issuing ETA 331 have changed. As noted in Det. 97-080, 16 WTD 220, the Department may no longer apply this requirement.

Determination 97-080, 16 WTD 220, notes that freight forwarding businesses that have common carrier liability for their customers loss during shipping and that are contractually liable for the interstate transportation of goods qualify for the deduction of income derived from interstate commerce under RCW 82.16.050(8).

Review Recommendation:

<input type="checkbox"/>	Amend
<input checked="" type="checkbox"/>	Cancel (Appropriate when action is not conditioned upon another rule-making action or issuance of an interpretive or policy statement.)
<input type="checkbox"/>	Leave as is (Appropriate even if the recommendation is to incorporate the current information into another rule.)

Briefly explain your recommendation:

Federal deregulation of the trucking industry has changed the requirements listed in the ETA. There is no longer any need for this document as the issue is sufficiently addressed in Det. 97-080, 16 WTD 220.

Manager action: Date: April 30, 2004

AL Reviewed and accepted recommendation